



2018

at a glance

swisscom



Annual Report publications



The Annual Report, Sustainability Report and 2018 at a glance together make up Swisscom's reporting on 2018. The three publications are available online at: swisscom.ch/report2018

“Inspiring people” concept

The networked world offers countless opportunities that we can begin to shape today. Top quality, groundbreaking innovation, deep-rooted commitment – we feel lucky to be able to inspire people and to lead them to embrace the opportunities that a networked future offers.

The images used in our reporting show how and where we inspired people in 2018: from high in the Alps to people's homes, in business and in our Swisscom Shops.

A big thank-you to all who took the time to pose for these photographs: Pius and Jeanette Jöhl with their kids at the Oberchäseren alp, the houseshare and friends in Zurich (Seraina Cadonau, Anna Spiess, Linard Baer and Johannes Schutz), Ypsomed AG in Burgdorf, Stefan Mauron, our customer Jeannette Furter, and the entire crew at House of Swisscom in Basel.

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2018 at a glance is a condensed version of our Annual Report. The full, detailed contents can be found at the link provided for each of the different sections.

 swisscom.ch/report2018

2018 in review

An impressive market performance permitted Swisscom to generate revenue that was practically on a par with the previous year. With inOne we are very successful on the market. More than 2.3 million customers have opted to use the bundled offering that lets you flexibly combine mobile communications and fixed-line products such as broadband, TV and telephony.

In CHF million, except where indicated		2018	2017	Change
Net revenue and results				
Net revenue		11,714	11,662	0.4%
Operating income before depreciation and amortisation (EBITDA)		4,213	4,295	-1.9%
EBITDA as % of net revenue	%	36.0	36.8	
Operating income (EBIT)		2,069	2,131	-2.9%
Net income		1,521	1,568	-3.0%
Earnings per share	CHF	29.48	30.31	-2.7%
Operational data at end of period				
Fixed telephony access lines in Switzerland	in thousand	1,788	2,047	-12.7%
Broadband access lines retail in Switzerland	in thousand	2,033	2,014	0.9%
Swisscom TV access lines in Switzerland	in thousand	1,519	1,467	3.5%
Mobile access lines in Switzerland	in thousand	6,551	6,637	-1.3%
Broadband access lines in Italy	in thousand	2,547	2,451	3.9%
Mobile access lines in Italy	in thousand	1,432	1,065	34.5%
Employees				
Full-time equivalent employees at end of year	number	19,845	20,506	-3.2%
Average number of full-time equivalent employees	number	20,083	20,836	-3.6%

 [swisscom.ch/kpis2018](https://www.swisscom.ch/kpis2018)

Guard

Internet Guard, which is free of charge, offers Swisscom customers even better protection online.



5G

At the end of 2018, pilot 5G networks were in operation in seven Swiss cities.

Ultra-fast broadband

Halfway point reached in the Swiss-wide expansion effort – the 1,111th municipality was added to the ultra-fast broadband network.



Italy

Fastweb acquires 5G spectrum and fixed-wireless business of Tiscali.



eSports

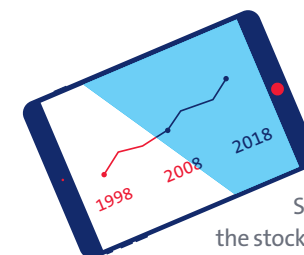
Swisscom launches its own eSports league.

No. 1

Swisscom took the top spot in several tests and rankings in 2018:



- Service test of industry magazine PCtipp, for the fifth time running.
- Hotline test of industry magazine connect, for the third time running.
- Overall winner in the CHIP mobile network test.
- Speed test of Ookla for the fastest mobile network.
- Our mobile network was declared the best in Switzerland in the mobile network test carried out by "connect".



20 years of Swisscom share

Swisscom was first listed on the stock exchange on 5 October 1998. The Swisscom share offers an average annual return of 5%.

Included in the package

Expanded inOne offering: devices with their own SIM card plus extra roaming, services and speed can be added easily and at little cost.

Good performance – solid results

Dear Shareholders

20 years of Swisscom – 20 years of pioneering work and investment in reliable infrastructure to support the Swiss business community. In 2018, we celebrated our 20-year anniversary as a public limited and listed company. During this anniversary year, Swisscom continued to hold its ground in an extremely challenging environment and achieved its financial targets. An impressive market performance permitted Swisscom to generate revenue that was practically on a par with the previous year. Fastweb posted another pleasing performance, growing its revenue and expanding its customer base.

Targets achieved thanks to innovation and capital expenditure

An increasingly saturated market, pressure on prices and costs and fierce competition in its core business are all having an impact on Swisscom's operations and activities. Despite this, Swisscom generated revenue and earnings in 2018 that were in line with the previous year. Net revenue was stable at CHF 11,714 million, while consolidated

operating income before depreciation and amortisation (EBITDA) declined by 1.9% to CHF 4,213 million. Net income also virtually remained on par with the previous year at CHF 1,521 million.

Revenue in the Swiss core business fell by 2.7% to CHF 8,817 million, mainly due to discounts on bundled offerings and price pressure in the corporate business segment. In addition, more and more customers are opting out of a separate fixed line for telephony, with the number of connections falling by 259,000 year-on-year to around 1.79 million.

There are also signs of market saturation in mobile telephony, as the number of mobile lines fell year-on-year by 1.3% to 6.55 million. Despite the fiercely contested market, Swisscom managed to keep its market share in mobile telephony stable at 60% and even increased its market share in television to 35% (prior year: 33%). The number of TV connections rose by 3.5% to 1.52 million, helping Swisscom TV remain by far Switzerland's most popular digital TV offering.



F.l.: Urs Schaeppi, CEO Swisscom Ltd, Hansueli Loosli, Chairman of the Board of Directors Swisscom Ltd

Sincerest thanks

Swisscom turned 20 on 1 January 2018 – that's 20 years since we were first listed on the stock exchange. We would like to thank each of our approximately 20,000 employees for making Swisscom what it is. Their curiosity and commitment ensure that you – as investors and customers –

can continue to rely on Swisscom as a partner, no matter what happens. We would also like to thank you, our valued shareholders, for the trust and confidence you have in our company.

Yours sincerely

Hansueli Loosli
Chairman of the Board of Directors
Swisscom Ltd

Urs Schaeppi
CEO Swisscom Ltd

Financial review

Swisscom's reporting focuses on the three operating divisions Swisscom Switzerland, Fastweb and Other Operating Segments.

Swisscom Group

Swisscom's net revenue increased by 0.4 % to CHF 11,714 million. In the Swiss core business, revenue fell by CHF 241 million or 2.7 % to CHF 8,817 million as a result of strong competition and market saturation.

The Italian subsidiary, Fastweb, reported strong revenue and customer growth. Revenue rose year-on-year by EUR 160 million or 8.2 % to EUR 2,104 million.

Net revenue	EBITDA	Capital expenditure*
CHF 11.7 bn	CHF 4.2 bn	CHF 2.4 bn
Net income	Equity ratio	Full-time employees
CHF 1.5 bn	36,3 %	19,845 FTE

Other Operating Segments

Other Operating Segments primarily comprises the Digital Business division, Swisscom Broadcast Ltd (radio transmitters) and cablex Ltd (network construction and maintenance).

The net revenue of the Other Operating Segments rose year-on-year by CHF 57 million or 6.7 % to CHF 907 million. The increase was mainly due to higher revenue from construction services rendered by cablex.

Swisscom Switzerland

Swisscom Switzerland comprises the customer segments Residential Customers, Enterprise Customers and Wholesale, as well as the IT, Network & Infrastructure division.

Net revenue for Swisscom Switzerland fell by CHF 241 million or 2.7 % to CHF 8,817 million as a result of fierce competition and the downward trend in fixed-line telephony.

Net revenue	EBITDA	Capital expenditure*
CHF 8.8 bn	CHF 3.4 bn	CHF 1.6 bn
Broadband access lines retail	Mobile access lines	Full-time employees
2.0 m	6.5 m	14,478 FTE

Fastweb

Fastweb is a telecommunications provider for residential and business customers in Italy. Its product portfolio comprises voice, data, broadband and TV services as well as video on demand for residential and business customers. In addition, Fastweb offers mobile phone services on the basis of an MVNO contract (as a virtual network operator).

Fastweb's net revenue rose by EUR 160 million or 8.2 % year-on-year to EUR 2,104 million thanks to customer growth. Despite difficult market conditions, Fastweb's broadband customer base grew by 96,000 or 3.9 % to around 2.55 million in 2018. Fastweb is also growing in the fiercely competitive mobile telephony market.

Net revenue	EBITDA	Capital expenditure*
EUR 2.1 bn	EUR 0.7 bn	EUR 0.7 bn
Broadband access lines	Mobile access lines	Full-time employees
2.5 m	1.4 m	2,484 FTE

* Capital expenditure on property, plant and equipment and intangible assets

Capital market

Swisscom's shares are listed on the SIX Swiss Exchange. The credit-worthiness of Swisscom is regularly assessed by international rating agencies.

Swisscom share

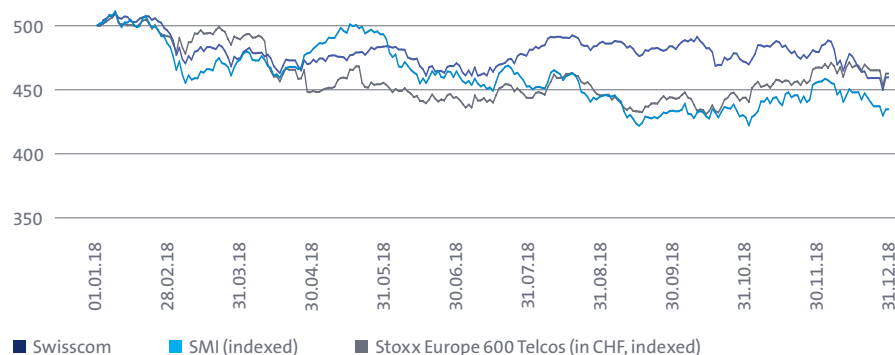
Swisscom's market capitalisation as at 31 December 2018 amounted to CHF 24.3 billion (previous year: CHF 26.9 billion). The number of shares issued remained the same at 51.8 million. Par value per registered share is CHF 1. Each share entitles the holder to one vote. Voting rights can only be exercised if the shareholder is entered in the share register of Swisscom Ltd with voting rights. The Board of Directors may refuse to enter a shareholder with voting rights if such voting rights exceed 5 % of the company's share capital.

The Swiss Market Index (SMI) fell by 10.2 % compared with the previous year. The Swisscom share price decreased by 9.4 % to CHF 469.70, outperforming the Stoxx Europe 600 Telecommunications Index (–16.4 % in CHF; –13.2 % in EUR). Average daily trading volume fell by 3 % to 151,185 shares. The total trading volume of Swisscom shares in 2018 amounted to CHF 17.6 billion.

[swisscom.ch/share-performance](https://www.swisscom.ch/share-performance)

Share performance 2018

in CHF



Shareholder return

On 10 April 2018, Swisscom paid out an ordinary dividend of CHF 22 per share. Based on the closing price at the end of 2017, this equates to a return of 4.2 %. Taking into account the decline in share price, the Swisscom share achieved a total shareholder return (TSR) of –5.2 % in 2018. The TSR of the SMI was –7.1 % and the TSR of the Stoxx Europe 600 Telecommunications Index was –11.8 % in CHF and –8.3 % in EUR.

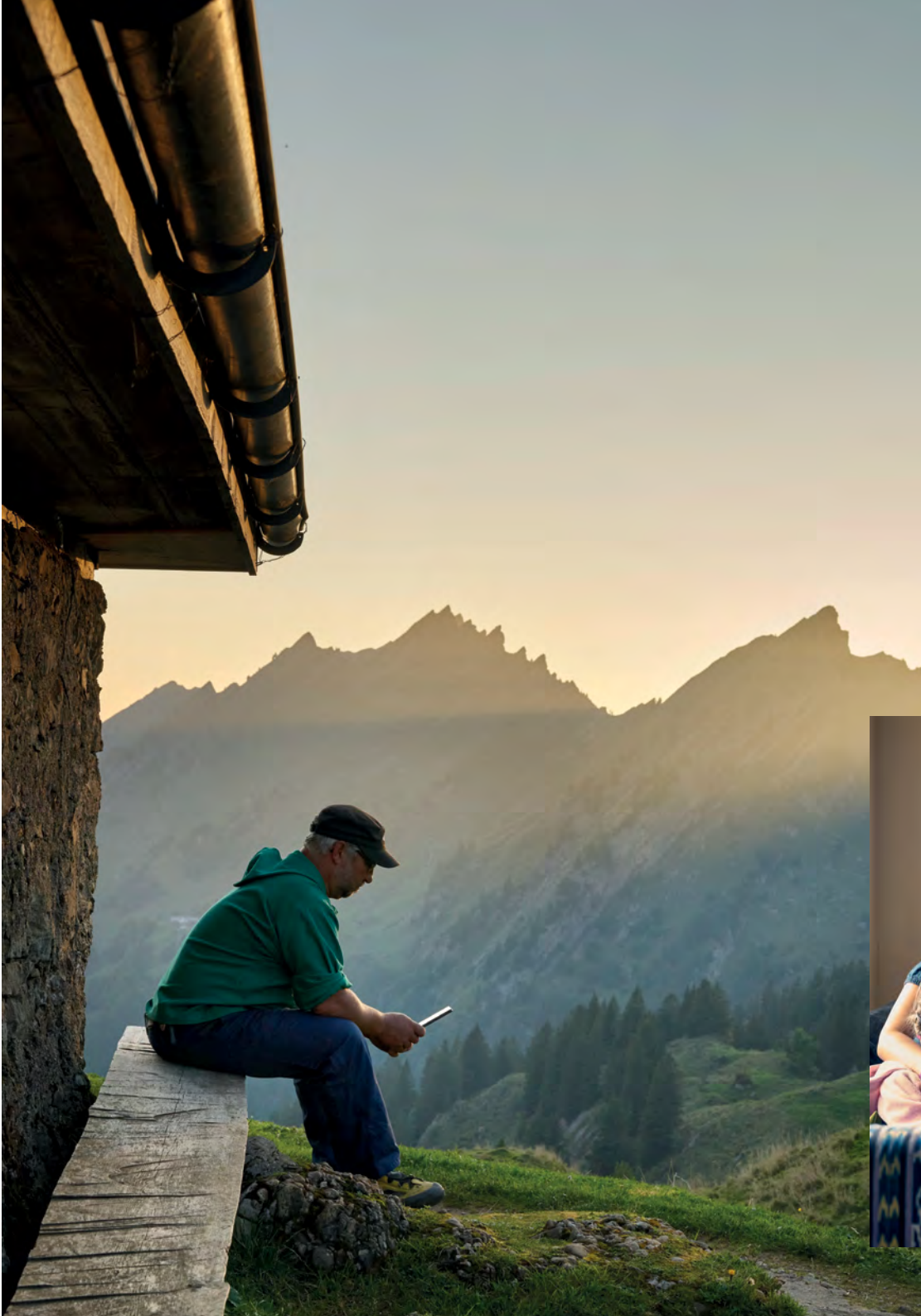
Stock exchanges

Swisscom shares are listed on the SIX Swiss Exchange under the symbol SCMN (Securities No. 874251). In the United States (Over The Counter, Level 1), they are traded in the form of American Depositary Receipts (ADR) at a ratio of 1:10 under the symbol SCMWY (Pink Sheet No. 69769).

Financial review Outlook 2019

For 2019, Swisscom expects net revenue of around CHF 11.4 billion, EBITDA of over CHF 4.3 billion and capital expenditure of around CHF 2.3 billion. The outlook for EBITDA is influenced by a new accounting standard for leasing (IFRS 16). From 2019 onwards, rental and leasing costs in the income statement will not be reported in EBITDA, which will raise this figure by some CHF 200 million. On a like-for-like basis,

Swisscom expects EBITDA in 2019 to be lower than in the year under review. The costs of acquiring mobile frequencies at auction are not included in the capital expenditure forecast. Subject to achieving its targets, Swisscom will propose payment of an unchanged, attractive dividend of CHF 22 per share for the 2019 financial year at the 2020 Annual General Meeting.



Connecting people

In towns, in valleys and in the farthest corners of Switzerland – access to the digital world should be available wherever you are.

Swisscom is digitising 240 alpine businesses. The partnership with alpine associations underlines Swisscom's commitment to the alpine economy and community – a little piece of Switzerland that must be protected and supported. This is Swisscom's way of demonstrating its deep-rooted commitment to Switzerland.



Inspiring brands and products

Swisscom wants to offer its customers the best experience and constantly surprise them with its products and services.

Swisscom is one of the most valuable brands in Switzerland. In the “Switzerland 50” survey carried out by Brand Finance, Swisscom ranks in eighth place, with a monetary brand value of over CHF 6 billion.

A brand must absorb social and technological changes and be ahead of them. In the year under review, Swisscom revamped its ten-year-old corporate identity and corporate design. Swisscom’s vision, values and promise have been reviewed in terms of their relevance to the customer, refined and simplified.

Core business products and services are offered under the Swisscom brand, as well as under the secondary brands Wingo and SimplyMobile (as of 9.1.2019 Coop Mobile) and the third-party brand M-Budget. Its portfolio also includes other brands which are associated with other themes and business areas.

Offerings for residential customers

inOne by Swisscom is an attractive bundled offering for residential customers, giving them a choice of TV, mobile and fixed-line telephony on top of the broadband connection. In 2018, Swisscom further expanded the inOne mobile subscription, so that

customers benefit not only from faster surfing, but can also add on devices such as tablets, laptops, smart watches, GPS trackers or a second smartphone easily and inexpensively, all under the same contract they already have.

Swisscom TV continued to make huge strides as it was made even more attractive to customers. A wider range of TV channels is now available and the user interface was simplified even further. Different types of content are organised together into TV “theme worlds”. In the summer of 2018, Swisscom TV customers were the only viewers in the country able to watch the FIFA World Cup in top TV quality thanks to UHD. For the 2018/2019 football season, Swisscom subsidiary Teleclub acquired the transmission rights to the UEFA Champions League and the UEFA Europa League, becoming the only Swiss broadcaster to broadcast all matches live.

Offerings for SMEs

With its modern offerings, Swisscom prepares SMEs for the challenges of a networked world and shows them the new opportunities presented by a mobile, flexible working environment. Swisscom offers small businesses a bundled

package for Internet and telephony called inOne SME. Smart Business Connect gives SMEs with more complex needs an individual solution for Internet, telephony, collaboration, security and networking. Since spring of 2018, Smart ICT has enabled customers with an interest in IT outsourcing to benefit from complete solutions. Together with IT partners in the regions, Swisscom handles the operation of the customer’s ICT infrastructure and takes care of data security in a professional manner.

Offerings for corporate customers

Swisscom assists its customers with their digital transformation and works together with them to develop future-oriented solu-

tions, supported by one of the most comprehensive ICT portfolios in Switzerland. This portfolio comprises cloud, outsourcing, workplace and UCC solutions, as well as mobile phone solutions for mobile working and communication, networking solutions, location networking, business process optimisation, SAP solutions, security and authentication solutions (mobile ID) and a full range of services tailored to the banking industry, ranging from IT and business outsourcing to trend research. In 2018, Swisscom’s primary concern was to expand its cloud offering and the IT security, digital consulting and software development services. Swisscom also offers new solutions for the Internet of Things.



Extract of the brand portfolio



The FIFA World Cup was the sporting event of the year, and Swisscom TV customers were able to have an even better experience of it by watching it in UHD (Ultra High Definition). And with Teleclub, fans can also follow every UEFA Champions League and UEFA Europa League match live. Thanks to Swisscom TV, fans can experience the excitement and atmosphere of matches in their own homes, just as if they were in the stadium.



Watch live

Whether you're watching from the stands or your sofa, there's nothing like the excitement of a football match.

The best employees as the key to success

Swisscom is at the heart of digitisation – an opportunity it wants to seize in order to consolidate its position as Switzerland's leading ICT company and shape the future. This requires satisfied employees who use their skills, experience and personalities to inspire customers in the networked world on a daily basis.

Swisscom operates in an environment characterised by very rapid change. Knowledge that was up to date yesterday may be outdated tomorrow. As such, Swisscom invests in the employability of its employees by giving them five training days a year, with a wide range of opportunities for personal development available both externally and on the job. Swisscom positions itself on the ICT job market as an attractive employer, offering its employees the opportunity to assume responsibility, utilise their potential and further develop their abilities.

At the end of 2018, Swisscom had 19,845 full-time equivalent employees, of whom 17,147 or 86 % were employed in Switzerland. Swisscom is also training 960 apprentices in Switzerland.

Collective employment agreement

Swisscom is committed to fostering constructive dialogue with its social partners (the syndicom union and the transfair

staff association) as well as the employee associations (employee representatives). The collective employment agreement (CEA) and the social plan constitute fair and consensual solutions.

When negotiating the Swisscom CEA 2018, the parties put particular emphasis on employees' professional development: Swisscom employees will be entitled to five training days a year from 1 January 2019. The revised "mobile working" rules give greater priority to employees' work-life balance, and maternity leave has been extended to 18 weeks, with paternity leave increased to 3 weeks. Fathers are also entitled to take an extra month of unpaid leave in the child's first year of life. By granting these extensions, Swisscom is reiterating its commitment to offering family-friendly working conditions.

Social plan

The objective of the social plan is to formulate socially acceptable restructuring measures and avoid job cuts. It sets out the

benefits provided to employees covered by the CEA who are affected by redundancy. Furthermore, the social plan makes use of the relevant means to increase the employability of employees and provides for retraining measures in the event of long-term job cuts.

Employee remuneration

In 2018, Swisscom and its social partners signed an agreement on the pay round for the year under review. With effect from April 2018, salaries for employees subject to the CEA were increased by 1.1 % of the total salary, while the total salary bill for managers also rose by 1.1 % as part of individual salary adjustments. Compared to the prior year, the salary bill in Switzerland fell by 3.3 % to CHF 2.0 billion.

Staff development

As a pioneer in the field of digitisation in Switzerland, Swisscom is dedicated to getting to grips with the working models of the future. It provides employees and management with a learning environment in which they can develop new skills and shape their own professional development. In 2018, every Swisscom employee spent three days on learning, training and development.

Employee satisfaction

The Pulse survey gives Swisscom employees an opportunity to submit their feedback on a wide variety of issues relating to their personal work situation twice a year and identify areas of improvement. The rate of responses to the Pulse survey is constantly rising: a total of 83 % of employees participated in the two surveys in 2018 (2017: 62 %). Some 78 %, i.e. more than two thirds, of

the employees participating said they were highly likely to recommend Swisscom as an employer. Swisscom's ratings are usually higher than the benchmarks in the dimensions surveyed.

Diversity

To promote diversity, Swisscom focuses on gender, inclusion, generations and language regions. In relation to gender, for example, Swisscom endeavours to make work compatible with family life. Flexible working models and the option of reducing working hours on an experimental basis are making part-time working more acceptable. They also help to offer women attractive development opportunities in what is a largely technical work environment. For that reason, Swisscom takes the promotion of talent very seriously. Swisscom also works towards integration where generation management is concerned, with flexible working models and many development measures in place to help older employees keep working for as long as possible.

 [swisscom.ch/employer2018](https://www.swisscom.ch/employer2018)

The network for Switzerland's digital future

Switzerland has one of the best ICT infrastructures in the world today. Swisscom is unswervingly committed to meeting the needs of its customers and delivering service and quality. It is also investing heavily in the networks of the future.

Telecommunications networks are the backbone of the Swiss information society. On the ground and in the air, Swisscom pursues the same strategy, namely providing Switzerland with the best possible network and thus laying a solid foundation for the digital transformation. Swisscom currently operates three networks that facilitate this: the fixed network, the mobile network and the low-power network (LPN).

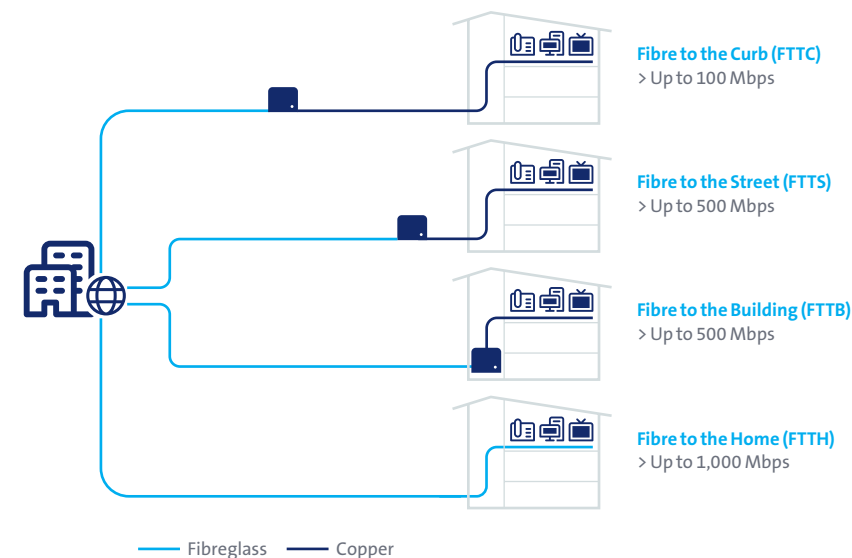
Rising demand

People in Switzerland today use a variety of devices to access the Internet. Demand for universally available broadband Internet is continuing to grow. Swisscom has set itself ambitious goals as regards network expansion. Most people living in any given Swiss municipality should have access to increased bandwidths by the end of 2021. Consequently, some 90 % of all homes and businesses will have a minimum bandwidth of 80 Mbps by the end of 2021 – with around 85 % of connections achieving speeds of 100 Mbps or higher. Swisscom is honouring its universal service provision mandate in remote regions of Switzerland. Thanks to the new DSL+LTE bonding

technology, Swisscom is also noticeably improving broadband provision in certain regions. DSL+LTE bonding combines the performance of the fixed-line network with that of the mobile network. As at the end of 2018, Swisscom had established around 4.2 million connections to its ultra-fast broadband service with speeds in excess of 50 Mbps through continuous expansion. Of this number, over 3.6 million lines were equipped with the latest fibre-optic technology.

Innovative technologies

In terms of technology, Swisscom has maintained its leading international position. For example, it became the first European telecommunications provider to introduce the G.fast technology anywhere in the world. G.fast enables bandwidths of up to 500 Mbps on short copper cables (up to 200 metres in length). To put this into figures, a speed of 500 Mbps will ensure that customers can use cutting-edge services for many years to come, such as digital TV in HD quality, which requires around 10 Mbps, and Netflix and YouTube in HD quality, which needs 6 Mbps.



The Swisscom mobile network is one of the best by international standards. Swisscom currently supplies around 99 % of the Swiss population with 4G, 3G and 2G coverage. In 2018, Swisscom carried out localised testing of 5G in seven Swiss cities. A comprehensive introduction of 5G is being delayed by the strict legal limits that apply (ONIR – Ordinance on Protection against Non-Ionising Radiation). 5G is the mobile communication standard of digitisation and is vitally important to Switzerland as a business centre. It enables transmission speeds of up to 10 Gbps.

The Internet of Things (IoT) has long connected a vast number of objects and devices to one another and to their users. Swisscom has further expanded its IoT portfolio. It encompasses all the components needed to implement applications nationally and internationally.

IT infrastructure and platforms

Not only are bandwidths in the networks constantly increasing, but so is the usage of cloud services. Swisscom is positioning itself as a trustworthy provider of private, public and hybrid cloud services and expanding its portfolio with the help of internationally renowned partners. Swisscom consistently uses cloud platforms to provide internal and external communication services. Swisscom implements high-performance, leading-edge technology for the benefit of its customers. The changes constantly occurring in the market show that this is the right way to go. Swisscom is continuing to make use of the standardised systems created by its partners rather than developing its own infrastructure.

[swisscom.ch/infrastructure2018](https://www.swisscom.ch/infrastructure2018)

Discover 5G

In Burgdorf, 5G data transmissions were carried out for the first time via a fully standardised 5G network.

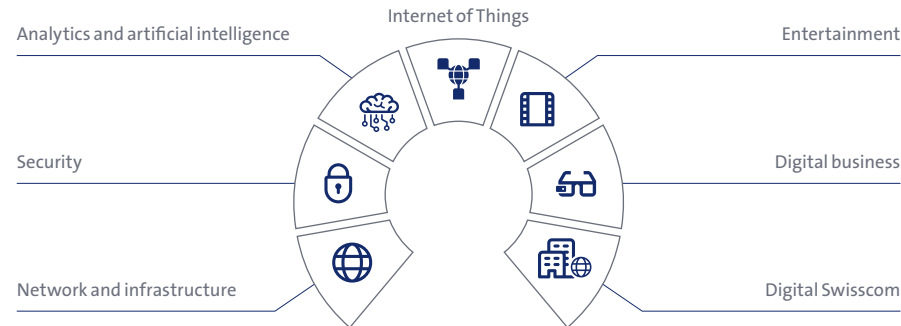


At Ypsomed, 5G and the “factory of the future” are already a reality. Together with Swisscom, the medical-devices manufacturer tested 5G in an industrial setting. The fully automated, 5G-digitised production line is gradually bringing jobs back to Switzerland, for example, and is strengthening Switzerland as a business location.

A foundation for long-term success

Innovation is more than just a key driver of economic sustainability, it is also an important lever for staying relevant in the core business, generating growth in new markets and digitising internal work processes. At Swisscom, innovation can be seen in all areas of the company as well as beyond.

Swisscom is focusing its innovation activities on seven areas of innovation, which in turn directly help the Group achieve its goals.



Network and infrastructure

In the area of mobile communications, Swisscom has made significant progress with 5G. Swisscom, together with medical company Ypsomed, presented the first 5G applications based on fully digitised process chains, from the delivery of raw materials and the manufacture of products through to provision and delivery. For the first time, all hardware and software com-

ponents were provided directly via a 5G antenna. This was followed by the first 5G test networks in Burgdorf, Guttannen and Lucerne.

Security

Swisscom uses artificial intelligence (AI) to help repel attacks by automatically detecting attacks and dangers and promptly initiating appropriate countermeasures to

protect the company and its infrastructure and customers. This AI-based procedure takes tangible form in the Swisscom 24/7 Security Operations Centre, which business customers can use as a service.

Analytics and artificial intelligence

Swisscom uses AI to further improve its customer service—for example, by detecting network faults and enhancing the efficiency of internal processes.

Internet of Things

Swisscom has continued to expand its portfolio for the Internet of Things (IoT). The low-power network (LPN) now serves over 96 % of the population. Swisscom also supports companies and start-ups through various channels, such as Techie Tuesday (an IoT discussion forum) and the LPN Boot Camps, to enable them to enter the IoT and develop it further.

Entertainment

Swisscom founded Switzerland's very own eSports league in cooperation with ESL. The Swisscom Hero League powered by ESL is aimed at professionals and the population at large. Swisscom TV offers a range of gaming channels and its own game theme world.

In the media skills area, an edition of “enter”, the digital media guide, focuses on gaming and eSports, and a new course module is available for parents and teachers. The rise of eSports is not only a social trend, but also a driver for the introduction of new technologies and an economic factor for Switzerland that should not be underestimated.

Digital business

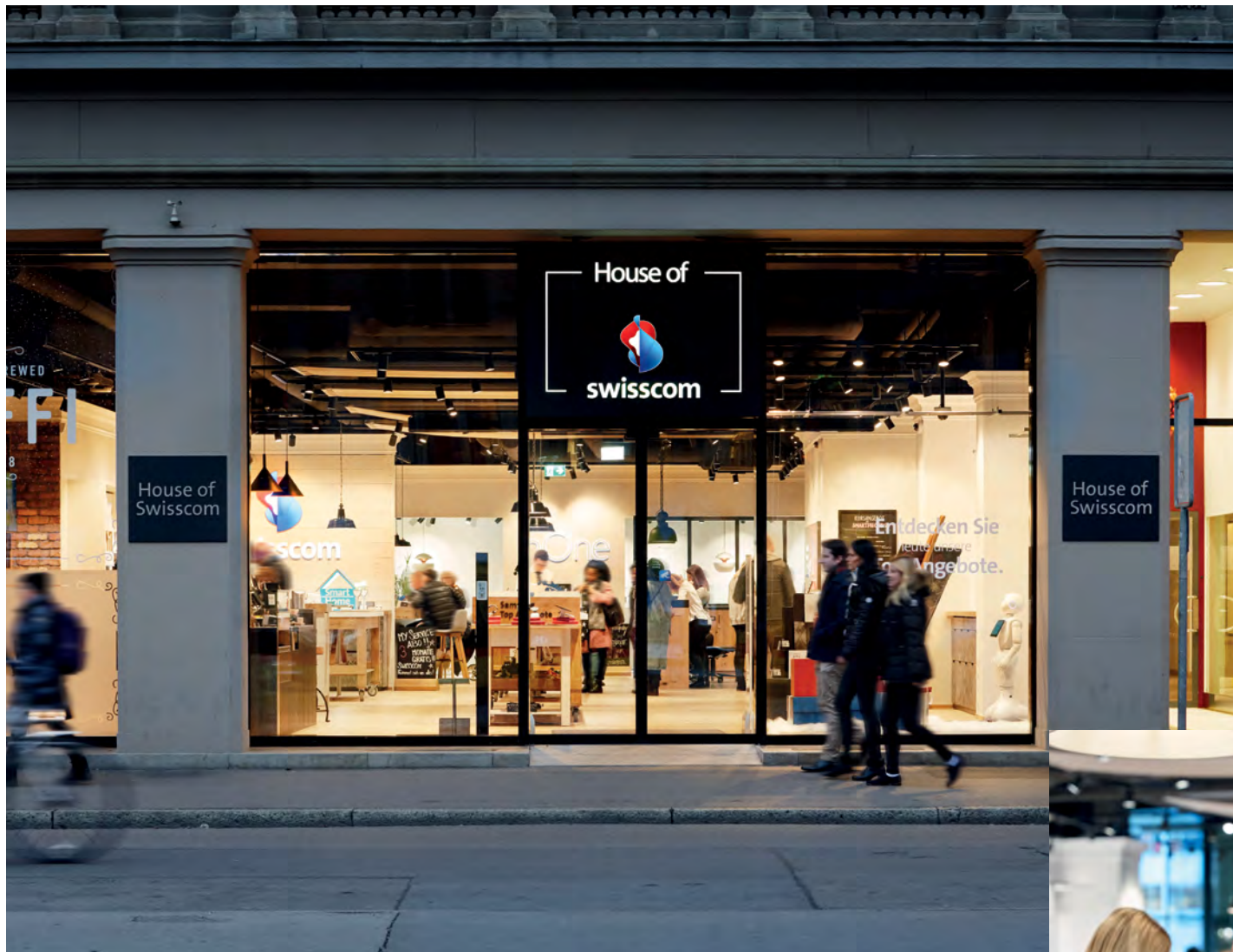
Swisscom supports developments within the company and beyond by promoting intrapreneurship and setting up joint ventures with strategic partners.

For example, Swisscom and AMAG jointly established autoSense, which connects vehicles to the Internet. An app and a compact adapter give the user direct access to valuable information about the journey and their vehicle. The service includes a logbook, remote diagnosis and warnings of potential engine problems. Additional digital services for refuelling, parking and tailor-made vehicle insurance are planned.

Digital Swisscom

To get ahead in the digital world, Swisscom must digitise itself and become a model digital company. Swisscom is fostering a culture of smart cooperation. One way is by further developing its own workplaces and introducing a hybrid workplace environment, which simplifies access to data from mobile and registered end devices.

[swisscom.ch/innovation](https://www.swisscom.ch/innovation)



The newly opened House of Swisscom in Basel offers customers a truly novel shopping experience. Retail and business customers can obtain competent advice, have devices repaired, discover the innovation zone or relax in the Swisscom Lounge.

A new way of shopping

Advice, service and shopping
all under one roof.



Only the best is good enough

Swisscom's market environment is changing rapidly. Swisscom pursues three strategic objectives that aim to secure its market position and make it easy for its customers to seize the opportunities presented by the networked world.

Increasing connectivity, exponential data growth and rapid technological progress – the pace of change is accelerating. On top of this, the importance of software, content, security and data protection is growing and customer requirements are evolving. The market environment has fundamentally changed in recent years.

Swisscom is a market, technology and innovation leader in Switzerland with high quality standards. Its vision is to shape the future from this leading position and inspire people in a networked world. This strategy is expressed through three strategic aspirations.

Best customer experience

Swisscom wants to inspire its customers by providing them with the best service at all times, regardless of their location. The customer experience is founded on the latest high-performance IT and communications infrastructure, with which Swisscom wants to assert its position as a technological leader. Customer requirements regarding the availability and performance of the networks are constantly growing. As a

result, Swisscom is setting up and operating networks that are second to none in terms of security, availability and performance. Swisscom thus enables its customers to enjoy the best experiences when using its offerings.

The key to the success enjoyed by Swisscom is its relationships with its customers. Providing the best service and inspirational experiences across the board are the foundation of this. Swisscom customers can count on us as a competent, reliable partner and enjoy service that is individual, flexible and personal at all points of contact.

Operational excellence

Due to fierce competition, revenues in the core business are still under pressure. It is therefore essential for Swisscom to consistently optimise its cost base over the coming years to secure its long-term success as a business. This is the only way Swisscom can free up the funds for developing new business opportunities and secure its profitability. One of the main focuses in optimising costs is the creation of efficient operating procedures, for

As number 1, we are shaping the future.
Together we inspire people in the networked world.

Best customer
experience



Operational excellence



New growth



example by simplifying and adjusting the product portfolio, reducing the number of interfaces, using agile development methods, modernising and consolidating the IT platforms, increasing the efficiency of staff deployments, and optimising processes being driven by initiatives such as the switch to All IP.

Furthermore, the internal digital transformation and the higher level of digitisation that accompanies it is crucial for Swisscom. This includes the virtualisation of network functions, improvement of the online channel, greater process automation and the increased use of artificial intelligence and analytics.

New growth

In further developing its core business, Swisscom intends to realise growth opportunities through, for example, the further expansion of its TV offering, growth in the wholesale sector, the expansion of its digital portfolio and, in the SME sector, through the successful marketing of its ICT offerings. The solutions business for digital security, business applications and the cloud offers further growth opportunities. Swisscom is launching new digital services

in selected areas, some of which are based on new business models. This includes, for example, digital services for SMEs (e.g. localsearch), Swisscom's fintech operations and the use of blockchain as a supporting technology. When selecting growth areas, Swisscom is guided by future customer requirements, focuses on future-oriented business models offering substantial growth and makes increased use of partnerships. Italian subsidiary Fastweb also plays a key role in realising growth opportunities.

 [swisscom.ch/strategy2018](https://www.swisscom.ch/strategy2018)

Corporate Governance

Corporate governance is a fundamental component of Swisscom's corporate policy. Swisscom is committed to practising effective and transparent corporate governance as part of its effort to deliver long-term value.

Members of the Board of Directors as of 31.12.2018

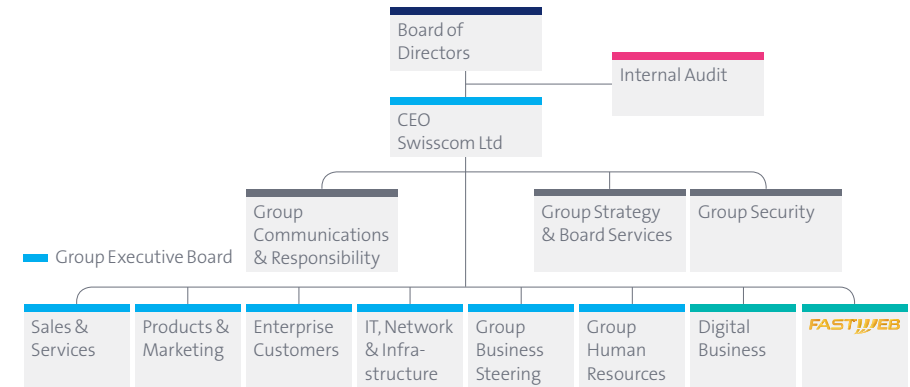
Name	Nationality	Year of birth	Function Taking office as of
Hansueli Loosli ¹	Switzerland	1955	Chairman 2009
Roland Abt	Switzerland	1957	Member 2016
Valérie Berset Bircher ²	Switzerland	1976	Member, representative of the employees 2016
Alain Carrupt	Switzerland	1955	Member, representative of the employees 2016
Frank Esser ³	Germany	1958	Deputy Chairman 2014
Barbara Frei	Switzerland	1970	Member 2012
Catherine Mühlemann	Switzerland	1966	Member 2006
Anna Mossberg	Sweden	1972	Member 2018
Renzo Simoni ⁴	Switzerland	1961	Member, representative of the Confederation 2017

1 Since 1 September 2011 Chairman.

2 Resignation from the Board of Directors as of 31 December 2018.

3 Nominated to Deputy Chairman as of 4 April 2018.

4 Designated by the Swiss Confederation.



Members of the Group Executive Board since 1.2.2019

Name	Nationality	Year of birth	Function	Appointed to the Group Executive Board as of
Urs Schaeppi ¹	Switzerland	1960	CEO Swisscom Ltd	March 2006
Mario Rossi	Switzerland	1960	CFO Swisscom Ltd	January 2013
Hans C. Werner	Switzerland	1960	CPO Swisscom Ltd	September 2011
Marc Werner	Switzerland, France	1967	Head of Sales & Services	January 2014
Urs Lehner	Switzerland	1968	Head of Enterprise Customers	June 2017
Christoph Aeschlimann	Switzerland	1977	Head of IT, Network & Infrastructure	February 2019
Dirk Wierzbitzki	Germany	1965	Head of Products & Marketing	January 2016

1 Since November 2013 CEO.

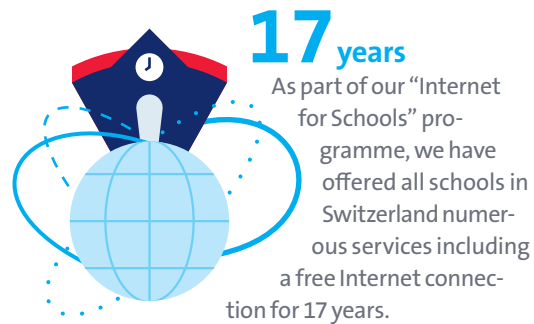
[swisscom.ch/corporate-governance2018](https://www.swisscom.ch/corporate-governance2018)



Long-term responsibility

Swisscom has been committed to people, the environment and our country for more than 20 years.

This commitment to sustainability is a long-term investment in the future. Of the 157 countries using digitisation to increase sustainability, Switzerland ranks an impressive number eight, according to the Digital Access Index. Swisscom is making an important contribution to this area and actively takes advantage of the opportunities of digitisation to develop sustainable offers.



Simple solutions to complex problems – from as early as primary school

From the 2019/2020 school year, five school classes from Switzerland's mountain regions will gain an insight into the classroom of tomorrow: Thymio the robot, developed at the Federal Institute of Technology Lausanne, will help strengthen their skills

in media and IT and give them their first experience with "computational thinking". The "Thymio goes to the mountains" project was launched on Digital Day in October 2018. Swisscom is supporting this initiative by providing all the necessary hardware, thus playing a major role in training tomorrow's workforce.



Media skills for parents, teaching staff and pupils

The age at which children are coming into contact with digital media is getting younger, and they need to be taught how to use it responsibly. That's why Swisscom offers media courses for parents and teachers as well as age-appropriate courses for pupils. The aim is to raise awareness of the risks and to make recommendations

on the use of media at home and in school. In 2018, Swisscom trained a record number of parents, teaching staff and pupils – with over 1,800 events held across Switzerland attracting almost 45,000 participants. Since the launch of the initiative, we have trained 515,000 people in total, making Swisscom the largest provider of media courses in Switzerland.



Swisscom is climate positive

In 2018, customers saved around 569,000 tonnes of CO₂ by using Swisscom products – equal to the emissions produced by the 80,000 people living in the city of Lucerne. This reduction exceeds the emissions from our energy consumption across the entire supply chain by 291,300 tonnes of CO₂. This makes Swisscom and its customers more than just climate neutral – they are climate positive.



6 years

Swisscom Mobile Aid has been refurbishing and recycling old phones since 2012.

Old phones for children in need

Production accounts for most of the energy used by smartphones, with devices containing 60 different elements. With Mobile Aid, Swisscom gives old phones a new lease of life. Old devices can be returned to any Swisscom shop all year round. All the proceeds from reselling and recycling go to SOS Children's Villages. Since 2012, Swisscom has received 632,000 disused mobile phones, providing funding for around 3 million meals for children in need. 87,000 mobile devices were received in 2018 alone.

Top ratings

Swisscom is one of the most sustainable companies in the world and has top marks from the leading sustainability indices: It is rated on the Dow Jones Sustainability Index; on the A List for climate change from the Carbon Disclosure Project (CDP); in the Top 10 Developed Europe on the FTSE4Good; and has Gold Recognition Level from EcoVadis.

[swisscom.ch/cr-report2018](https://www.swisscom.ch/cr-report2018)

Key dates

2019

7 February 2019

Publication of 2018 Annual Results and Annual Report

2 April 2019

Annual General Meeting in Basel

4 April 2019

Ex-dividend date

8 April 2019

Dividend payment

2 May 2019

2019 First-Quarter Results

15 August 2019

2019 Second-Quarter Results

31 October 2019

2019 Third-Quarter Results

2020

February 2020

Publication of 2019 Annual Results and Annual Report

 [swisscom.ch/financialcalendar](https://www.swisscom.ch/financialcalendar)

Publishing details

Publisher

Swisscom Ltd, Berne

Realisation

Swisscom Ltd, Corporate Communications
Agency Nordjungs, Zurich
Textindianer, Berne

Photographer

Franz Rindlisbacher, Zurich
Gerry Amstutz, Zurich
Michel Jaussi, Linn

Translation

Lionbridge Switzerland Ltd, Basel

Printing

Stämpfli Publikationen Ltd, Berne
Printed on chlorine-free, bleached paper
© Swisscom Ltd, Berne

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No. 01-19-601555 – www.myclimate.org
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